

Arizona Real Estate Advisory Board Meeting Minutes

Thursday
January 24, 2018
10:00 a.m. - Noon
Arizona Department of Real Estate
Commissioner's Conference Room
2910 N. 44th Street
Phoenix, Arizona 85018

- I. Call to Order – Bill Gray, Chair
Chair Gray called the meeting to order at 10:00am.

- II. Introductions & Welcome

Members present:

Bill Gray, Chair
Karen Bohler, Vice-Chair
Charlie Bowles
Kim Clifton
Nicole LaSlavic
D. Christopher Ward

Absent:

Carla Bowen
Nedra Halley
Bruce Jacobs
Justin Rollins

ADRE Representatives present:

Judy Lowe, Commissioner
Louis Dettorre, Deputy Commissioner (DC)
Carla Randolph, Assistant Commissioner Licensing Services/CIO LEAN (AC)
Abby Hansen, Executive Assistant

Public Present:

Scott Drucker, Arizona Association of Realtors® (AAR)

III. Approval of October 26, 2017 Meeting Minutes

Chair Gray asked for a Motion to approve the October 26, 2017 Meeting Minutes. Upon a motion by Member Bowles, seconded by Member LaSlavic, the Minutes of the October 26, 2017 meeting were unanimously approved.

IV. Advisory Board Member Facilitator Reports;

- Chair Gray was contacted regarding real estate school rosters with student's personal information i.e. emails being used/distributed for marketing purposes. Commissioner Lowe stated there is no Real Estate Statute that would apply. Member Ward stated to advise the complainant to check Federal guidelines, or with a legal representative.
- Member Clifton has received many calls regarding team advertising. Specifically, the teams are not including team member names, so consumers and other licensees do not know who they are dealing with. Many of the phone numbers advertised direct the individual (licensed or not) to an automated line to gain access to the lockbox code.

V. Update Report on Distance Learning Continuing Education (CE) Content Quality Workgroup.

AC Randolph gave an update on the workgroup and noted five of the recommendations given to the Department by the workgroup.

- Stronger attestation from school administrators.
- Attestation from instructors that they have developed the course and determined the course does not contain any information that is not applicable to Arizona.
- Determine the licensee is actually the student completing the course.
- Require a survey after the course to be provided to the Department.
- ADRE to explore "subject matter expert" (SME) accreditation.

Commissioner Lowe stated the Department is currently looking at the Association of Real Estate License Law Officials (ARELLO) guidelines as an approval criteria and noted the workgroup recommendations are being researched and have not been acted on.

VI. Update Real Estate Workgroup

Commissioner identified the three workgroups;

- Distance Learning CE Content Quality
- Real Estate Pre-Licensing Curriculum, Content, Exam
- Teams – Clarifying to the industry via a Substantive Policy Statement

The Department is working on the formation of this workgroup, looking at the charge, who will facilitate and who will be on the workgroup. The Department has extended invitations to two individuals for the facilitator role. The Department anticipates the body to be made up of brokers including property management and then determine what the issues are. Member LaSlavic asked that a staff member of the Arizona Association of Realtors® (AAR) be included. Commissioner Lowe stated she would consider that request.

VII. Real Estate Pre-Licensing Workgroup

The workgroup will have a preliminary meeting on January 31st for an overview of charge. Additional individuals will be added to the workgroup for the next meeting which has not been scheduled at this time.

Chair Gray asked if there were a way for Arizona to develop their own national exam that would be more relative to Arizona, can the testing vendor administer a test designed by the Department? Member Ward voiced concern regarding the ADRE resources that would be required for the development and maintenance of that test. Member Clifton suggested a review of the current exam to remove questions that do not apply to Arizona. Commissioner Lowe stated that it could possibly be added to our testing vendor contract.

VIII. Opportunities to Increase Communications to Real Estate Professionals

DC Dettorre stated the ADRE Bulletin should go out quarterly, however due to resources that does not always occur. DC Dettorre noted the Department has a twitter account with some followers. Member LaSlavic asked for a blurb about the Department's Twitter account that she may bring to the AAR communication group to help bring awareness of the ADRE account. Member LaSlavic also recommended checking with Arizona Department of Revenue about their email blast process.

IX. Commissioner Lowe recapped recent ARELLO meetings that she attended. Some of the topics were;

- ARELLO has a disciplinary action data base which services several states. The Department has a disciplinary database that can be shared with ARELLO.
- Portability of real estate licenses.
- Educating the licensees in professionalism.
- Encourage the use of Real Estate "Professional", rather than "Agent".
- Online pre-licensing education.
- Using .com in an entity name. Commissioner Lowe stated it is the Departments position that it creates confusion with the consumer.
- Changing business models, disruptors.

Commissioner Lowe reminded the Board that the Department will be re-locating sometime in May.

Commissioner Lowe noted that a hot topic making the phone ring is real estate licensees, acting as an investor in personal purchases are using unlicensed assistants to go door to door and make offers on behalf of the licensee.

DC Dettorre reviewed the current legislative bills related to real estate;

- HB2065 – Public meetings; definition; penalties
- SB1184 – State compact; temporary professional licenses
Member LaSlavic stated its currently assigned to two committees and the Arizona Association of Realtors® would not be in favor of its passing.
- HB2150 – Manufactured home sales; licensure; exemption
Member LaSlavic stated this bill was introduced by the Arizona Association of Realtors®. It expands on a bill passed last year that allowed for licensees to sell mobile homes within a mobile home park. This bill allows for the sale of mobile homes by a real estate licensee outside of a mobile home park.
- HB2399 – Real estate licenses; online classes
DC Dettorre noted only 17 states have accepted online pre-licensing education. Member LaSlavice stated the Arizona Association of Realtors® will remain neutral, but are concerned about general quality of pre-licensing curriculum.

AC Randolph provided an overview of licensing, education and development services statistics;

- Increase in new Entities.
- Decrease in phone calls and walk-ins.
- There were 3,700 new licensees since July 2017.
- Upcoming subject matter expert meetings with the testing vendor.

X. 2017 Annual Report to the Governor

Chair Gray presented the report to the Board for review.

Commissioner Lowe noted that it is required by statute that the Advisory Board submit a yearly report to the Governor.

XI. Election of 2018 Advisory Board Chair and Vice-Chair

Member Bowles motioned to move the election to the next meeting so additional Board members could participate in voting. Member Ward seconded the motion.

XII. Call to the Public

Scott Drucker reiterated the Arizona Association of Realtors® request to be part of the upcoming "teams" workgroup.

XIII. Next scheduled meeting Wednesday April 25, 2018 10:00am

XIV. Adjournment at 12:00 pm.

Respectfully submitted this 25th day of April, 2018
Real Estate Advisory Board


William Gray, Chair